

Dated July 28, 1995.

**Susan G. Esserman,**

*Assistant Secretary for Import Administration.*

[FR Doc. 95-19260 Filed 8-3-95; 8:45 am]

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[C-351-406]

### **Certain Agricultural Tillage Tools From Brazil; Preliminary Results of Countervailing Duty Administrative Review**

July 28, 1995.

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Preliminary Results of Countervailing Duty Administrative Review.

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on certain agricultural tillage tools from Brazil. We preliminarily determine the net subsidy to be zero for all companies for the period January 1, 1993 through December 31, 1993. If the final results remain the same as these preliminary results; the Department intends to instruct the U.S. Customs Service to assess countervailing duties as indicated above. Interested parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** August 4, 1995.

**FOR FURTHER INFORMATION CONTACT:**

Brian Albright and Kelly Parkhill, Office of Countervailing Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-2786.

**SUPPLEMENTARY INFORMATION:**

#### **Background**

On October 22, 1985, the Department published in the **Federal Register** (50 FR 42743) the countervailing duty order on certain agricultural tillage tools from Brazil. On October 7, 1994, the Department published a notice of "Opportunity to Request an Administrative Review" (59 FR 51166) of this countervailing duty order. We received a timely request for review from Marchesan Implementos Agricolas, S.A. a Brazilian producer of the subject merchandise and a respondent, and Agritech Trading Company, an importer of the subject merchandise.

We initiated the review, covering the period January 1, 1993 to December 31, 1993, on November 14, 1994 (59 FR 56459). The review covers four

manufacturers/exporters of the subject merchandise and four programs.

#### **Applicable Statute and Regulations**

The Department is conducting this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Unless otherwise indicated, all citations to the statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994.

#### **Scope of the Review**

The merchandise subject to this review (hereinafter "subject merchandise") is certain round shaped agricultural tillage tools (discs) with plain or notched edges, such as colters and furrow-opener blades. The products covered in this review are currently classifiable under the following item numbers of the Harmonized Tariff Schedule of the United States (HTSUS): 8432.21.00, 8432.29.00, 8432.80.00 and 8432.90.00. The HTSUS subheadings are provided for convenience and Customs purpose. The written description remains dispositive.

#### **Analysis of Programs**

##### *Programs Preliminarily Found Not to Be Used*

We examined the following programs and preliminarily determine that the respondents did not use them during the review period:

A. Preferential Financing under FINEP.

B. Preferential Financing for Industrial Enterprises by the Banco de Brasil (FST and EGF loans).

C. Accelerated Depreciation for Brazilian-made Capital Goods.

D. Preferential Financing under PROEX (Formerly under Resolution 68 and 509 through FINEX).

##### *Preliminary Results of Review*

For the period January 1, 1993 through December 31, 1993, we preliminarily determine the net subsidy to be zero for all companies. If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U. S. Customs Service to assess the following countervailing duties:

Manufacturer/exporter	Rate
All companies .....	Zero.

The Department also intends to instruct the U. S. Customs Service to collect zero cash deposits of estimated countervailing duties on all shipments of the subject merchandise, entered or

withdrawn from warehouse, for consumption on or after the date of Publication of the final results of this review.

Parties to the proceeding may request a hearing not later than 10 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted seven days after the time limit for filing the case brief. Parties who submit written arguments in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. Any hearing, if requested, will be held seven days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 355.38(e).

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs are due under section 355.38(c). The Department will publish the final results of this administrative review including the results of its analysis of issues raised in any case or rebuttal brief.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 355.22.

Dated: July 28, 1995.

**Susan G. Esserman,**

*Assistant Secretary for Import Administration.*

[FR Doc. 95-19259 Filed 8-3-95; 8:45 am]

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[C-559-802]

### **Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof (AFBs) From Singapore; Preliminary Results of Countervailing Duty Administrative Reviews**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Preliminary Results of Countervailing Duty Administrative Reviews.

**SUMMARY:** The Department of Commerce (the Department) is conducting two administrative reviews of the

countervailing duty orders on antifriction bearings (other than tapered roller bearings) and parts thereof (AFBs) from Singapore. We preliminarily determine the net subsidy to be zero for the Minebea group of companies (Pelmech Industries (Pte.) Ltd. (Pelmech), NMB Singapore Ltd. (NMB), and Minebea Co., Ltd. Singapore Branch (MSB)) and 9.11 percent *ad valorem* for all other companies for the periods January 1, 1992, through December 31, 1992, and January 1, 1993, through December 31, 1993. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service to assess countervailing duties as indicated above. Interested parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** August 4, 1995.

**FOR FURTHER INFORMATION CONTACT:** Brian Albright or Melanie Brown, Office of Countervailing Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW Washington, DC 20230; telephone: (202) 482-2786.

**SUPPLEMENTARY INFORMATION:**

**Background**

On May 3, 1989, the Department published in the **Federal Register** (54 FR 19125) the countervailing duty orders on AFBs from Singapore. On April 28, 1993, and May 4, 1994, the Department published in the **Federal Register** notices of "Opportunity to Request Administrative Review" (58 FR 25802 and 59 FR 23051-52) of these countervailing duty orders. We received a timely request for review for the period January 1, 1992, through December 31, 1992, from the petitioner, the Torrington Company. We also received timely requests for review for the period January 1, 1993, through December 31, 1993, from both the petitioner, the Torrington Company, and the Minebea group of companies, which accounts for most of the exports of subject merchandise from Singapore to the United States (see section on *Best Information Available*, below).

We initiated the 1992 and 1993 reviews on June 25, 1993 (58 FR 34414) and June 15, 1994 (59 FR 30770), respectively. We conducted verifications of the questionnaire responses for both the 1992 and 1993 reviews. The 1992 review covers three related manufacturers/exporters of the subject merchandise and 16 programs; the 1993 review covers the same manufacturers/exporters of the subject merchandise and 17 programs.

**Applicable Statute and Regulations**

The Department is conducting these administrative reviews in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Unless otherwise indicated, all citations to the statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994.

**Scope of Reviews**

Imports covered by these reviews are shipments of antifriction bearings (other than tapered roller bearings) and parts thereof. The subject merchandise covers five separate classes or kinds of merchandise, each of which is described in detail in Appendix A to this notice. The *Harmonized Tariff Schedule* item numbers listed in Appendix A are provided for convenience and Customs purposes. The written descriptions remain dispositive.

On October 30, 1992, the Department received a request for a scope determination from Sundstrand Pacific (Sundstrand). Specifically, Sundstrand asked the Department to find its part number 742973, an outer-race of the cylindrical roller bearing, not within the scopes of the countervailing duty orders. The request was subsequently evaluated in accordance with section 355.29(i)(1) of the Department's regulations. On February 4, 1993, the Department determined that the product in question was within the scope of the order on cylindrical roller bearings (58 FR 27542, 27543; May 10, 1993). Because the product descriptions detailed in Sundstrand's request for a scope determination were dispositive as to whether part number 742973 was within the scope of the order on cylindrical roller bearings, the Department did not initiate a formal scope inquiry. Accordingly, the U.S. Customs Service has been instructed to continue to suspend liquidation of part 742973 exported by Sundstrand.

**Best Information Available**

During the investigation, Sundstrand, an exporter of the subject merchandise which was identified by the Government of Singapore (GOS), refused to participate, and consequently received a rate based entirely on best information available (BIA) (see *Final Affirmative Countervailing Duty Determinations and Countervailing Duty Orders: Antifriction Bearings (other than Tapered Roller Bearings) and Parts thereof from Singapore* (54 FR 19125, 19126; May 3, 1989)). Section 776(c) of the Act requires the Department to use BIA "whenever a party or any other

person refuses or is unable to produce information requested in a timely manner and in the form required, or otherwise significantly impedes an investigation \* \* \*". See also 19 CFR § 355.37. In determining what rate to use as BIA, the Department follows a two-tiered methodology. The Department assigns lower rates to those respondents who cooperate in an administrative review (tier two) and rates based on more adverse assumptions for respondents who do not cooperate in the review, or who significantly impeded the proceeding (tier one). Cf. *Allied Signal Aerospace Co. v. United States*, 996 F. 2d 1185 (Fed. Cir. 1993), *aff'd*, 28 F. 3d 1188, *cert. denied*, 1995 U.S. Lexis 100 (1995) (*Allied-Signal*).

In these reviews, only the three related Minebea companies, which account for the majority of Singaporean exports to the United States of the subject merchandise, responded to the Department's questionnaires. Sundstrand did not respond to our questionnaires. Furthermore, during the course of the 1992 verification of the GOS questionnaire response, we examined a list of companies which exported subject merchandise to the United States but, for reasons unknown to the Department, did not respond to our questionnaire (see the April 8, 1994, Memorandum to Barbara E. Tillman Regarding *Verification of Questionnaire Response in 1992 Administrative Review of CVD Order on Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Singapore—Covering the Period January 1, 1992 through December 31, 1992*, at 4, which is on file in the Central Records Unit, Room B-099 of the Department of Commerce). The GOS did not provide any information regarding Sundstrand or the other companies' sales or exports of the subject merchandise, or the extent to which Sundstrand or these companies participated in the programs reviewed. During the course of the 1993 verification of the GOS questionnaire response, we again examined a list of companies which exported subject merchandise to the United States but did not respond to our questionnaire (see the April 9, 1995, Memorandum to Barbara E. Tillman Regarding *Verification of Questionnaire Responses in the 1993 Administrative Review of Countervailing Duty Order on Antifriction Bearings (Other Than Tapered Roller Bearings) From Singapore*, at 3, which is on file in the Central Records Unit, Room B-099 of the Department of Commerce). Again,

the GOS did not provide any information regarding Sundstrand or the other companies' sales or exports of the subject merchandise, or the extent to which they participated in the programs reviewed. Therefore, in accordance with section 776 of the Act and *Allied-Signal*, we are assigning to Sundstrand and all other non-respondent companies a first-tier uncooperative BIA rate for both periods of review. The rate we are applying for the periods January 1, 1992, through December 31, 1992, and January 1, 1993, through December 31, 1993, is 9.11 percent *ad valorem*. This rate is the rate that has been assigned to Sundstrand in each review since the first administrative review (see *Final Results of Countervailing Duty Administrative Review: Antifriction Bearings (other than Tapered Roller Bearings) and Parts thereof from Singapore* (56 FR 26384; June 7, 1991)).

#### Calculation Methodology for Assessment and Cash Deposit Purposes

In accordance with our standard practice, for both periods of review, we calculated the net subsidy on a country-wide basis by first calculating the subsidy rate for each company subject to the administrative review. See *Preliminary Results of Countervailing Duty Administrative Review: Certain Hot-Rolled Lead and Bismuth Carbon Steel Products from the United Kingdom*, 60 FR 24833, 24834 (May 10, 1995). We then weight-averaged the rate received by each company using as the weight the company's share of total exports from Singapore to the United States of subject merchandise, including all companies, even those with *de minimis* and zero rates. To determine the value of exports for the Minebea group of companies, we added the reported total exports of subject merchandise to the United States by the two related producers/exporters, NMB and Pelmec, to the total net mark-up on exports of subject merchandise to the United States reported by the related trading company respondent, MSB. To determine the value of exports for Sundstrand and all other non-respondent companies based on BIA (see *Best Information Available*, above), we subtracted the value of the Minebea companies' exports of subject merchandise to the United States from the total value of exports of subject merchandise to the United States, as reported by the GOS.

We then summed the individual weight-averaged rates to determine the subsidy from all programs benefitting Singaporean exports of subject merchandise to the United States. Because the country-wide rate

calculated using this methodology was above *de minimis*, as defined by 19 CFR § 355.7, for both periods of review, we next examined the net subsidy rate calculated for each company to determine whether individual company rates differed significantly from the weighted-average country-wide rate, pursuant to 19 CFR § 355.22(d)(3).

For both periods of review, we found that the Minebea companies and the non-respondent companies had significantly different net subsidy rates (zero and 9.11 percent *ad valorem*, respectively); therefore all companies are treated separately for assessment and cash deposit purposes for both periods.

#### Analysis of Programs

##### *I. Programs Preliminarily Determined Not To Confer Subsidies Investment Allowances Under Part X of the Economic Expansion Incentives Act (EEIA)*

Pelmec and NMB received tax deductions under this program during both periods of review, which petitioners have alleged are countervailable. The Investment Allowance program was originally established under Part VIA of the EEIA in 1979 to encourage investment in Singapore. The Department determined in 1985 that the investment allowance program under Part VIA of the EEIA was not countervailable (see *Final Negative Countervailing Duty Determination: Certain Textile Mill Products and Apparel from Singapore*, 50 FR 9840 (March 12, 1985) (*Textiles*)). After the Department's determination in *Textiles*, the EEIA was amended so that the investment allowance program was included under Part X of the EEIA (see *Final Negative Countervailing Duty Determination: Carbon Steel Wire Rod from Singapore* (53 FR 16304; May 6, 1988) (*Wire Rod*)). Because the investment allowance program has not been examined since the EEIA was amended, we are doing so in the 1992 review. (For a more detailed explanation of the Department's decision to examine Part X, see the December 30, 1994, Memorandum to Barbara E. Tillman Regarding 1992 and 1993 *Administrative Reviews of Antifriction Bearings (AFBs) from Singapore—Investment Allowance Program, Part X of the Economic Expansion Incentives Act (EEIA)*, on file in the public file of the Central Records Unit, Room B-099 of the Department of Commerce.)

Under Part X, companies are granted a tax deduction for up to 50 percent of the investment in fixed assets made by the company over the course of a

project. The EEIA authorizes allowances for a project in any of the following areas:

- a. for the manufacture or increased manufacture of any product;
- b. for the provision of specialized engineering or technical services;
- c. for research and development;
- d. for construction operations;
- e. for reducing the consumption of potable water;
- f. for services listed under section 16 of the EEIA; or
- g. for the promotion of the tourist industry (other than a hotel) in Singapore.

If an investment project falls within one of the above categories, companies will receive an allowance if the investment meets one of the following criteria:

- the investment results in greater efficiency in resource utilization;
- the investment introduces a new technology into an existing industry;
- the project is significantly more efficient in resource utilization than the industry average; or
- the project produces parts and components used by other industries.

We verified that, under each of the eligible project areas, all companies investing in new plant and equipment are eligible to participate in the program and that any such company which meets the above criteria will be approved to receive the investment allowance. Moreover, we found no evidence that the program is regional or that company approval is contingent on export. Finally, we found no evidence that the program is limited to a specific enterprise or industry, or a group of enterprises or industries. There are a large number and wide variety of users of the program. The range of industries that received investment allowances includes, among others, food & beverage, textiles, chemicals, steel, paper, minerals, electronics, plastics, furniture, petroleum/coal, rubber, and numerous service industries, including hotels, air transport, banking, real estate, accounting, information technology, medical/health, and photography. Moreover, the AFBs producers are neither a dominant nor disproportionate recipient of the investment allowances, and there is no evidence that the GOS exercises discretion, in general or across industries, in conferring benefits. Thus, we preliminarily determine that this program is not countervailable within the meaning of section 701(a) of the Act. (A detailed specificity analysis is set forth in the Memorandum dated July 28, 1995, *1992 Administrative Reviews of the Countervailing Duty Orders on Antifriction Bearings and Parts Thereof*

from Singapore: Part X of the EEIA—Investment Allowances which is on file in the Central Records Unit, Room B-099 of the Department of Commerce.)

## II. Programs Preliminarily Determined Not To Be Used

We examined the following programs and preliminarily determine that the Minebea group of companies did not apply for or receive benefits under these programs during either the 1992 review period or the 1993 review period:

- A. Production for Export under Part VI of the EEIA
- B. Monetary Authority of Singapore Rediscount Facility
- C. Other Tax Incentives under the EEIA
  - Part IV: Expansion of Established Enterprises
  - Part VII: International Trade Incentives
  - Part VIII: Foreign Loans for Productive Equipment
  - Part IX: Royalties, Fees and Development Contributions
  - Part XI: Warehousing and Servicing Incentives
- D. Incentives Under the Income Tax Act
  - Sections 14B and 14C: Double Deduction of Export Promotion Expenses
  - Section 14E: Double Deduction for Research and Development
  - Section 19B: Write-Offs of Payments for "Know-How", Patents and Manufacturing Licenses
- E. Programs Administered by the Economic Development Board
  - Capital Assistance Scheme
  - Productive Development Assistance Scheme
  - Initiatives in New Technology Program
- F. Program Administered by the National Science Technology Board: Research & Development Assistance Scheme

In the 1993 review, we received a submission from the Torrington Company, the petitioner in this proceeding, alleging that post-pioneer status under Part IIIA of the EEIA might have been granted to producers of the subject merchandise. We examined that program and preliminarily determine that the producers/exporters of the subject merchandise did not apply for or receive benefits under that program and were not granted post-pioneer status.

### Preliminary Results of Reviews

For the periods January 1, 1992, through December 31, 1992, and January 1, 1993, through December 31, 1993, we preliminarily determine the net subsidy to be zero for the Minebea group of companies (Pelmech, NMB, and MSB)

and 9.11 percent *ad valorem* for all other companies (see *Calculation Methodology for Assessment and Cash Deposit Purposes*, above).

If the final results of these reviews remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service to assess the following countervailing duties for the period January 1, 1992, through December 31, 1993:

Manufacturer/Exporter	Rate (percent)
Minebea companies (Pelmech, NMB, and MSB) .....	0.00
All Other Companies .....	9.11

The Department also intends to instruct the U.S. Customs Service to collect a cash deposit of estimated countervailing duties of zero percent of the f.o.b. invoice price on all shipments of the subject merchandise from the Minebea companies (Pelmech, NMB, and MSB), and 9.11 percent of the f.o.b. invoice price on all shipments of the subject merchandise from all other companies entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of these reviews.

Parties to the proceeding may request disclosure of the calculation methodology and interested parties may request a hearing not later than 10 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted seven days after the time limit for filing the case brief. Parties who submit written arguments in these proceedings are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. Any hearing, if requested, will be held seven days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR § 355.38(e).

Representatives of parties to these proceedings may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under section 355.38(c), are due. The Department will publish the final results of these administrative reviews including the results of its analysis of

issues raised in any case or rebuttal brief or at a hearing.

These administrative reviews and this notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. § 1675(a)(1)) and 19 CFR § 355.22.

Dated: July 28, 1995.

**Susan G. Esserman,**  
Assistant Secretary for Import Administration.

## Appendix A

### Scope of The Reviews

The products covered by these reviews, antifriction bearings (other than tapered roller bearings), mounted or unmounted, and parts thereof, constitute the following separate "classes or kinds" of merchandise as outlined below.

(1) Ball Bearings, Mounted or Unmounted, and Parts Thereof: These products include all antifriction bearings which employ balls as the rolling element. Such merchandise is classifiable under the following *Harmonized Tariff Schedule* (HTS) item numbers: 8482.10.10, 8482.10.50, 8482.80.00, 8482.91.00, 8482.99.10, 8482.99.70, 8483.20.40, 8483.20.80, 8483.30.40, 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, and 8708.99.50.

(2) Spherical Roller Bearings, Mounted or Unmounted, and Parts Thereof: These products include all antifriction bearings which employ spherical rollers as the rolling element. Such merchandise is classifiable under the following HTS item numbers: 8482.30.00, 8482.80.00, 8482.91.00, 8482.99.50, 8482.99.70, 8483.20.40, 8483.20.80, 8483.30.40, 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, and 8708.99.50.

(3) Cylindrical Roller Bearings, Mounted or Unmounted, and Parts Thereof: These products include all antifriction bearings which employ cylindrical rollers as the rolling element. Such merchandise is classifiable under the following HTS item numbers: 8482.50.00, 8482.80.00, 8482.91.00, 8482.99.70, 8483.20.40, 8483.20.80, 8483.30.40, 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, and 8708.99.50.

(4) Needle Roller Bearings, Mounted or Unmounted, and Parts Thereof: These products include all antifriction bearings which employ needle rollers as the rolling element. Such merchandise is classifiable under the following HTS item numbers: 8482.40.00, 8482.80.00, 8482.91.00, 8482.99.70, 8483.20.40, 8483.20.80, 8483.30.40, 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, and 8708.99.50.

(5) Spherical Plain Bearings, Mounted or Unmounted, and Parts Thereof: These products include all spherical plain bearings which do not employ rolling elements and include spherical plain rod ends. Such merchandise is classifiable under the following HTS item numbers: 8483.30.40, 8483.30.80, 8483.90.20, 8483.90.30, 8485.90.00, and 8708.99.50.

These reviews cover all of the subject bearings and parts thereof outlined above

with certain limitations. With regard to finished parts (inner race, outer race, cage, rollers, balls, seals, shields, etc.), all such parts are included in the scope of this review. For unfinished parts (inner race, outer race, rollers, balls, etc.), such parts are included if (1) they have been heat treated, or (2) heat treatment is not required to be performed on the part. Thus, the only unfinished parts that are not covered by this review are those which will be subject to heat treatment after importation.

[FR Doc. 95-19258 Filed 8-3-95; 8:45 am]

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[C-201-003]

### **Ceramic Tile From Mexico; Final Results of Countervailing Duty Administrative Review**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Final Results of Countervailing Duty Administrative Review.

**SUMMARY:** On May 18, 1995, the Department of Commerce (the Department) published in the **Federal Register** its preliminary results of administrative review of the countervailing duty order on ceramic tile from Mexico (60 FR 267177) for the period January 1, 1993 through December 31, 1993. We have now completed this review and determine the total bounty or grant to be 0.48 percent *ad valorem* for all companies. In accordance with 19 CFR 355.7, any rate less than 0.5 percent *ad valorem* is *de minimis*. We will instruct the U.S. Customs Service to assess countervailing duties as indicated above.

**EFFECTIVE DATE:** August 4, 1995.

**FOR FURTHER INFORMATION CONTACT:** Gayle Longest or Kelly Parkhill, Office of Countervailing Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-2786.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On May 18, 1995, the Department published in the **Federal Register** (60 FR 26717) the preliminary results of its administrative review of the countervailing duty order on ceramic tile from Mexico (47 FR 20012; May 10, 1982). The Department has now completed this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

We invited interested parties to comment on the preliminary results. On

June 19, 1995, a case brief was submitted by Ceramica Regiomontana, S.A., a producer of the subject merchandise which exported ceramic tile to the United States during the review period (respondent).

The review period is January 1, 1993, through December 31, 1993. This review involves 40 companies and the following programs:

- (1) BANCOMEXT Financing for Exporters;
- (2) The Program for Temporary Importation of Products used in the Production of Exports (PITEX);
- (3) NAFINSA Long-Term Loans
- (4) Other BANCOMEXT preferential financing;
- (5) Other Dollar-Denominated Financing Programs;
- (6) Fiscal Promotion Certificates (CEPROFI);
- (7) Import duty reductions and exemptions;
- (8) State tax incentives;
- (9) Article 15 Loans;
- (10) NAFINSA FONEI-type financing; and
- (11) NAFINSA FOGAIN-type financing.

#### **Applicable Statute and Regulations**

The Department is conducting this administrative review in accordance with section 751(a) of the Act. Unless otherwise indicated, all citations to the statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994.

#### **Scope of Review**

Imports covered by this review are shipments of Mexican ceramic tile, including non-mosaic, glazed, and unglazed ceramic floor and wall tile. During the review period, such merchandise was classifiable under the *Harmonized Tariff Schedule* (HTS) item numbers 6907.10.0000, 6907.90.0000, 6908.10.0000, and 6908.90.0000. The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

#### **Calculation Methodology for Assessment and Cash Deposit Purposes**

We calculated the total bounty or grant on a country-wide basis by first calculating the bounty or grant for each company subject to the administrative review. We then weight-averaged the rate received by each company, even those with *de minimis* and zero rates, using as the weight its share of total Mexican exports to the United States of subject merchandise. We then summed the individual companies' weighted-

average rates to determine the bounty or grant from all programs benefitting exports of subject merchandise to the United States. Since the country-wide rate calculated using this methodology was *de minimis*, as defined by 19 CFR § 355.7, no further calculations were necessary.

#### **Analysis of Comments**

*Comment 1:* As in past reviews, Ceramica Regiomontana contends that the Department does not have the legal authority to assess countervailing duties on ceramic tile from Mexico and must terminate the review. Effective April 23, 1985, the date of the "Understanding Between the United States and Mexico regarding Subsidies and Countervailing Duties" (the Understanding), Mexico became a "country under the Agreement." Therefore, Ceramica Regiomontana argues that 19 U.S.C. 1671 requires an affirmative injury determination as a prerequisite to the imposition of countervailing duties on any Mexican merchandise imported on or after April 23, 1985. Furthermore, Ceramica Regiomontana argues that the only applicable statutory authority for this review would be 19 U.S.C. 1303; however, because Mexico became a country under the Agreement, the provisions of section 1303 could no longer apply. Therefore, Ceramica Regiomontana maintains the Department has no authority to conduct this review and the review should be terminated.

*Department's Position:* We fully addressed this issue in a previous administrative review of this countervailing duty order. See *Ceramic Tile from Mexico; Final Results of Countervailing Duty Administrative Review* (55 FR 50744; December 10, 1990). The CIT and the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) have sustained the Department's legal position that Mexican imports subject to an outstanding countervailing duty order already in effect when Mexico entered into the Understanding are not entitled to an injury test pursuant to section 701 of the Act and paragraph 5 of the Understanding (*Ceramica Regiomontana, S.A., et. al v. United States*, Slip Op. 96-78, Court No. 89-06-00323 (May 5, 1994) (*Ceramica Regiomontana*); *Cementos Anajuac del Golfo, S.A. v. U.S.*, 879 F.2d 847 (Fed. Cir. 1989), cert. denied, 110 S.Ct. 1318 (1989)). The countervailing duty order on ceramic tile from Mexico was published prior to Mexico's entering into the Understanding and, therefore, imports of ceramic tile are not entitled